CACHE CREEK MINING PROPERTY REPORT

Summary and General Information

The placer gold mining property being offered for sale is on Cache Creek in the Cache Creek/Peters Hills (also known as the Yentna) mining district of south central Alaska. This tract in the Cache Creek valley has been mined for gold for more than a century, it still has significant placer gold resources in ground that has not been mined and in tailings which still contain an undetermined amount of gold. This large property (400 acres) has been one of the major gold producers in the Yentna mining district and should continue to be for many years to come.

The property is road accessible which makes it rather unique and more economically attractive for an Alaskan mining property. In addition to road access, this private property has a 4,000 foot long airstrip next to it. The road can be rather difficult in the early summer before it is bladed and it has several creek fording. (See Attachments 1, 2, and 3 in the back of this report for location maps.)

This mining property is at an elevation at about 1,500 feet above sea level in the foothills of the Alaska Range in south central Alaska. At this location the mining season has been as long as six months, but varies from four to six months. At this elevation it is possible to briefly drop below freezing during the summer nights which zaps the mosquitoes and other annoying insects. The tree line or timber line runs through at this elevation.

This is what it is all about! Cache Creek gold.

Being private property (patented mining claims), it is free from some of the rules and regulations that land management agencies impose on miners on federal or state land. In recent years this property has yielded an average of 1200 ounces per summer from 300,000 to 350,000 cubic yards mined. The summers have ranged from 850 to 1700 troy ounces. This gold mine has been fully permitted by the State of Alaska and the federal government.

Geologic Setting

Cache Creek occupies a structural valley between two small mountain ranges (foothills): the Dutch Hills and the Peters Hills. Both of these ranges are composed of Mesozoic Age slate and greywacke of marine origin. The slate and greywacke have been intruded by quartz veins some of which contain gold. Most of the gold comes from the Dutch Hills. The gold particles are eroding out of three sources in the Dutch Hills which are the auriferous quartz lodes, Tertiary blue clay residual placer and Tertiary paleo-placers. Most of the Tertiary sediments include pebble gravels, sandstone and lignite coal which can be noted in the tailings. Younger sediments are the Quaternary (Ice Age) glacial deposits (granite boulders) and the newest sediments on the scene are the present stream gravels (alluvium) in which the majority of the placer mining has been focused.

After the deposition of the Mesozoic sediments ended, this area was uplifted along with the Alaska Range. When raised above sea level, the slate and greywacke began eroding to become the Tertiary terrestrial sediments which fill the Cache Creek valley. The Tertiary sediments are not well consolidated pebble to cobble gravel, soft sandstone and lignite coal. These sediments were uplifted and tilted by the regional upheaval forming the Alaska Range. With the regional uplift came the erosion that spawned the growth of the gold placers in the mining district.

More recently during the last few million years, snow accumulated into the Ice Age glaciers which scoured this valley several times. The last glacial advance in this valley ended about 50,000 years ago. Since then streams have been reworking the landscape into that which we see today (figure 1). During this time the streams re-concentrated the gold and other heavy minerals into the alluvial placers.

During the Ice Ages glaciers from the Alaska Range inundated the Cache Creek valley where they re-arranged the stream patterns and dropped off the giant glacial erratic boulders of granite. Since the last glacier melted out of the valley, Cache Creek and its tributaries have been down cutting new deep channels where the placer minerals have been concentrated. As the streams eroded their way through the Tertiary sediments and glacial deposits, they left some gold strewn down the steep slopes as hillside placers.

The gold seems to be coming from several sources according to the geologic references because some of the gold looks well-traveled and rusty, while other gold is shiny and angular. It is likely that the well-traveled gold has been recycled from the basal Tertiary paleo-placer gravels that are widespread in the district. The paleo placer gravels have been mined where they are exposed as benches. The Tertiary sediments

make up much of the soft “bedrock” under the property. The following drawing shows this.

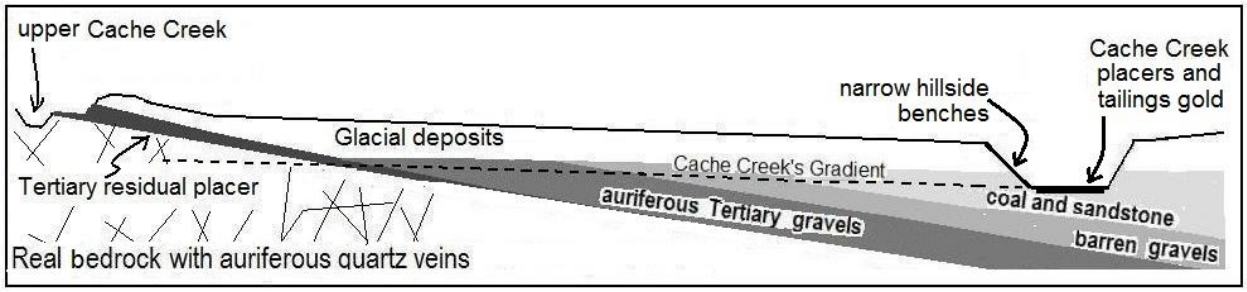


Figure 1 showing a geologic cross section along upper and middle Cache Creek.

Since the bedrock is soft and easily eroded by the rushing stream, pot holes and pools developed which typically act as gold traps. The numerous glacial erratic boulders act as riffles that trap gold around and under them. The other heavy minerals are platinum, zircon, monazite, native copper, pyrite and uranothorite according to Robinson et al. 1955. However these other minerals have not normally been in economic quantities.

The concentrates reveal there is black sand, but there is not too much of it as sometimes happens which causes riffle packing. Much of the black sand is magnetic, so it is easily separated out.

Mining History

Gold was discovered in the Yentna Mining District on Wagner Gulch which is a tributary to Mills Creek in 1905 near Collinsville. A year later gold was discovered on Cache Creek (Capps, 1913). In the early years the tributaries of Cache Creek were worked by hand methods. Later the most important mining method was hydraulicking again in the tributaries mostly where there was even topographic relief to permit this method.

The most significant historic mining occurred during the 1920s when a small bucketline dredge plied the gravels which was owned by the Cache Creek Dredging Co. (Figure 2). Wimmler reported that 398,323 cubic yards in 1922, 224,897 in 1925 and 250,000 cubic yards were mined in 1926. The dredge ended the 1926 season with a broken spud several claims below Nugget Creek. The average depth dredged was 9 feet. Their 1924 operating season lasted for 151 days. Smith in his annual reports did not mention the dredge being in operation starting in 1931. Roehm reported on the mining activity in the valley in 1937 and 1938, but no mention was made of the dredge. The dredge surely had a difficult time dealing with all the large boulders that festoon the valley.

Figure 2 shows one of the old bucketline dredge of the Cache Creek Dredging Co.

The present owner of the Cache Creek claims states that he mines 300,000 to 350,000 cubic yards a summer and averages about one thousand ounces of raw placer gold. Attachments 4a, b, c, d show that this mining property has been producing gold and selling it during the last five summers. There are many more gold sales receipts, but they would be very redundant and unnecessary.

Mineral Resources

The placer gold resources on this property can be found in the unmined areas on both sides of the valley floor, the tailings and in the hillside remnants as shown in figure 1. The unmined sides of the alluvial floor are shown in the following Google Earth image. This image does not show the property boundaries, but the limits of the resource areas can be interpreted from the image.

The Cache Creek Dredging Company mined at least 1,000,000 cubic yards, but they were not locked in by the same property boundaries as the present owner is offering for sale. The present mining company mining has mined about 1,300,000 cubic yards. There are roughly 2,250,000 cubic yards of this unmined placer resource remains in the floor of the valley on the tract for sale. This resource volume would be under about 128 acres with an average thickness of pay at 12 feet. The resource volume may not be this large due to the fact that the Alaska Department of Fish and Game will not permit the stream bed to be mined. Cache Creek is an anadromous stream for king and silver salmon. However if floods were to change the route of the creek naturally, mining under its former bed becomes more of a possibility.

The volume of the unmined placer resource, 2,250,000 cubic yards, was estimated by measuring the widths and the lengths of the shaded areas on the following aerial photo (Figure 3). The unmined areas were drawn on what appeared to be undisturbed or natural appearing vegetation. I, Jim Halloran, visited the property in June 2014 to help support the conclusion about what has been mined and not. Large swaths of the east side of the valley floor were very natural looking. Reclamation of mined lands was not required until the last quarter century. If the natural looking areas were actually reclaimed, the fact would not have escaped my well trained eyes. The unmined areas were never mined possibly because they were wetter than the areas that were mined. Since Cache Creek carved the valley and its floor, it flowed all across the width of the floor. As it did, it would have dropped gold particles across the floor. So there is every reason to believe there is gold under the unmined marshy areas too.

There are other reasons to believe these areas were not mined. Most of the gold washed out of the Dutch Hills which make up the west wall of the valley. This would have made the side of the valley nearer to the source of the gold slightly more attractive. Another reason is this ground apparently had only two periods of sustained large scale mining, during the 1920s with the old bucketline dredge and in the last few years. No doubt there was some desultory placer mining here and there between those times, but not a huge volume.

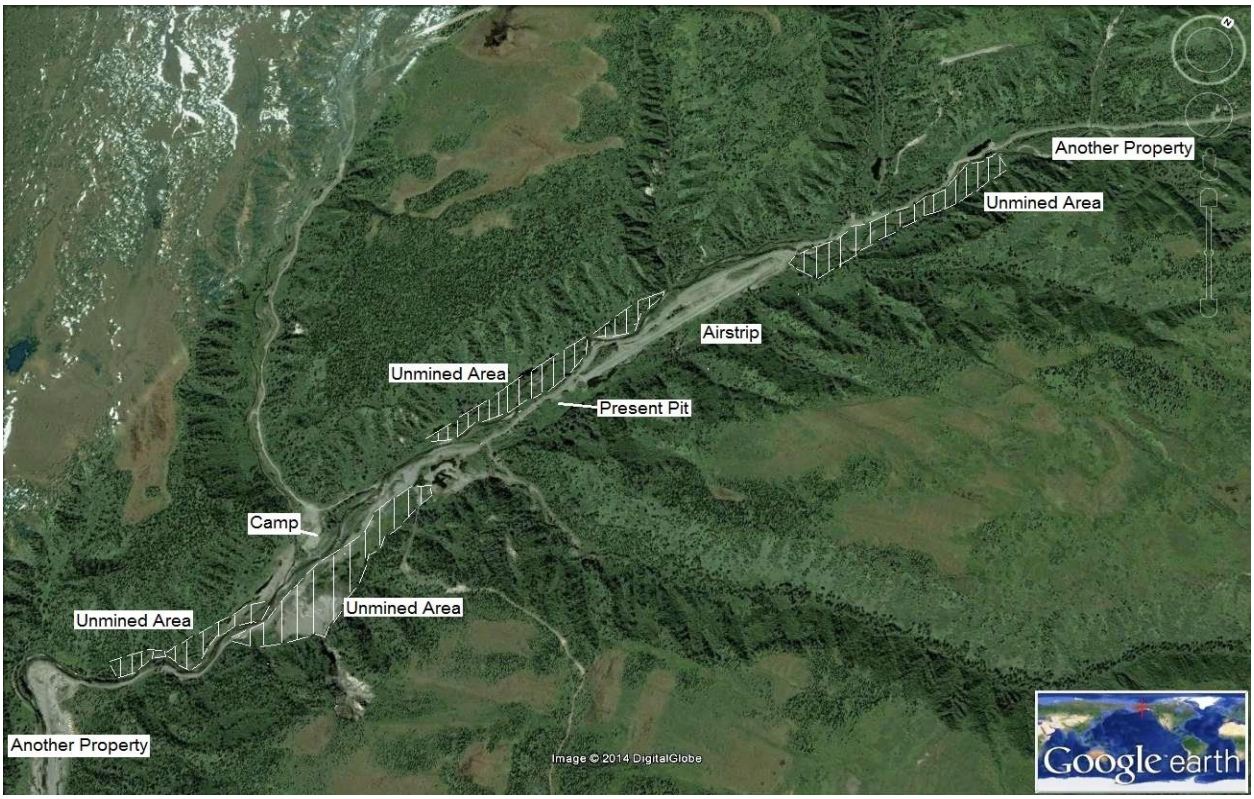


Figure 3 shows the unmined placer resource areas and other pertinent information.

Re-mining the tailings and the pit floor of the Cache Creek is another possible mineral resource that would normally be checked out because some of the past miners may not have dialed their recovery systems to the fine gold. Since there have been several generations of miners in this valley, it is not possible to say all the tailings are worth re-mining or not. More sampling would be required before this question could be answered. Nonetheless it is possible that much more ground could become feasible to mine especially if the price of gold makes some dramatic moves upward.

As figure 1 shows some of the gold in the stream valley is recycled from the Tertiary paleo-placer which underlies the valley sides, but is exposed occasionally in the floor of the valley. It is possible with a substantially higher gold price and with favorable exploration, mining the paleo-placer could be feasible again.

The Cache Creek patented mining property was subdivided into 9.19 acre lots in the late 1990s while the price of gold was about $250 an ounce in order to maximize profit for the land. Fortunately the price of gold rose significantly before many of the lots sold. At this time in July 2014, 62 lots are available. They were getting $45,000 to $50,000 apiece for the lots.

Mining just the unmined resources at the lower end of this property could easily recoup the investment in the property. This gold mining operation has been fully permitted for four years. These permits can be transferred to the new owners with the State of Alaska's concurrence. Many of the eight employees have expressed interest in staying with the new owners.

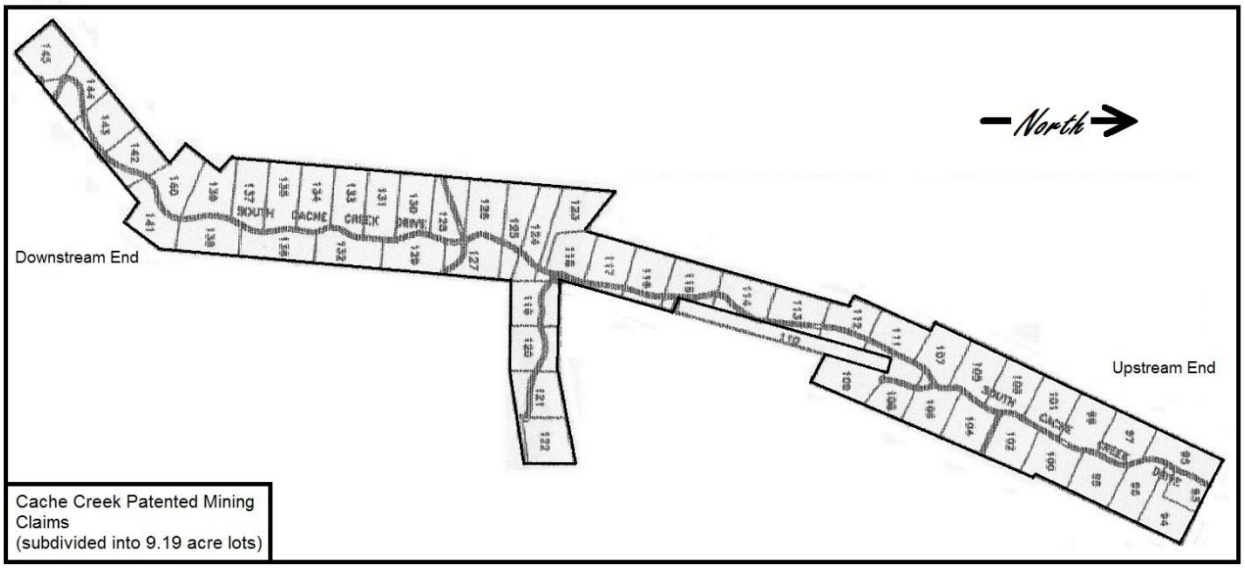


Figure 4 shows the property subdivided into lots.

The Mining Operation and Heavy Equipment

The mining method employed by the owners of this mine is remarkable for its efficiency. Many placer mines pick up their gravel 4 or 5 times which is much more expensive than picking it up only once. The mining method used here requires that the gravel be picked up slightly more than once. Obviously the gravel must be picked up and dropped in the

wash plant, but this is pretty much it. Yes, the tailings ought to be dozed level, but this being private land; the land owner is not required to reclaim. Also some of the gravel must be picked up to cut a bedrock drain in order to keep the pit as dry as possible. Technically on average the ground may be picked up one and a quarter times perhaps. It depends on the width of the valley floor and the width of the bedrock drain. The following pictures and diagram explain how the Kantishna mining method works.

Figure 5. This shows the camp and nearby mining cuts.

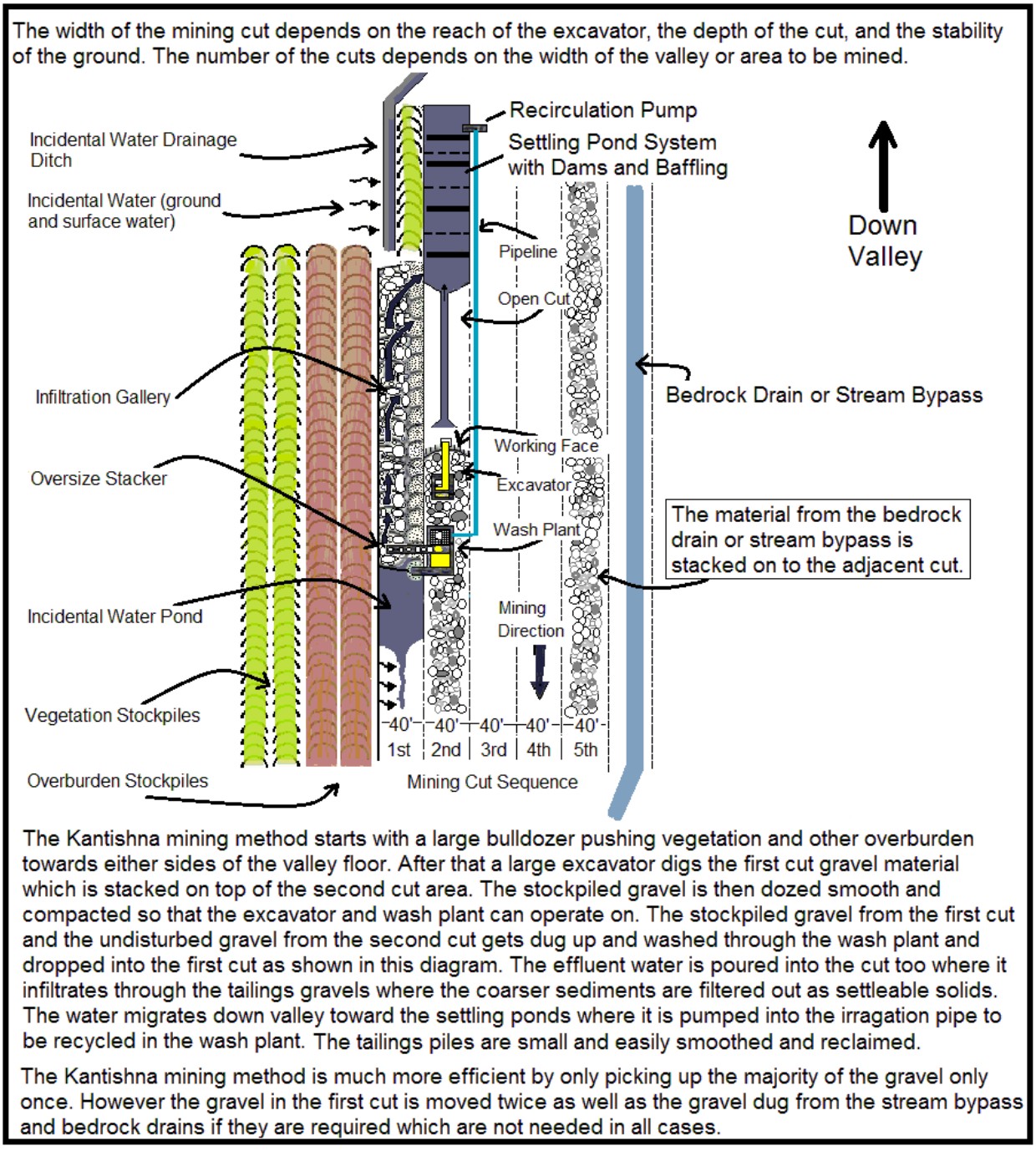


Figure 6. Plan view of the mine plan.

Figure 7a. Shows the mining operation with its basic components.

Figure 7b. Depicts the basic operation from a different angle so the stacker is more obvious. All the heavy equipment shown in these pictures is for sale, except for the old bucketline dredge.

Figure 8 shows the leveled spiral trommel wash plant and stacker. Note the steel cable grizzly. All the heavy equipment shown in these pictures is for sale, except for the old bucketline dredge.

Figure 9. This shows the required equipment from left to right: the Cat 315C, orange pump, mobile spiral wash plant, Cat 330D and water supply pipe. All the heavy equipment shown in these pictures is for sale, except for the old bucketline dredge.

Figure 10 shows the newly overhauled and re-painted D8T that is used for stripping overburden. The undercarriage has been completely rebuilt and the dozer repainted in 2014.

Figure 11. Caterpillar 330DL excavator which feeds the spiral wash plant.

Figure 12. Cat 315CL excavator which is used for smaller digging jobs.

Figure 13. The D6K LGP is used mostly for reclamation and miscellaneous dirt jobs.

Figure 14. The truck used for delivering diesel to the mine.

Photo 15. The clean-up (vacuum) truck and sluice box. The truck's suction pulls the concentrates out of the wash plant, then feeds it into this sluice for further concentration before going to the clean-up trailer. This method of removing the gold from the wash plant and trucking it to the cleanup facility is cutting edge.

Figure 16 depicts the fine gold in the sluice of figure 15.

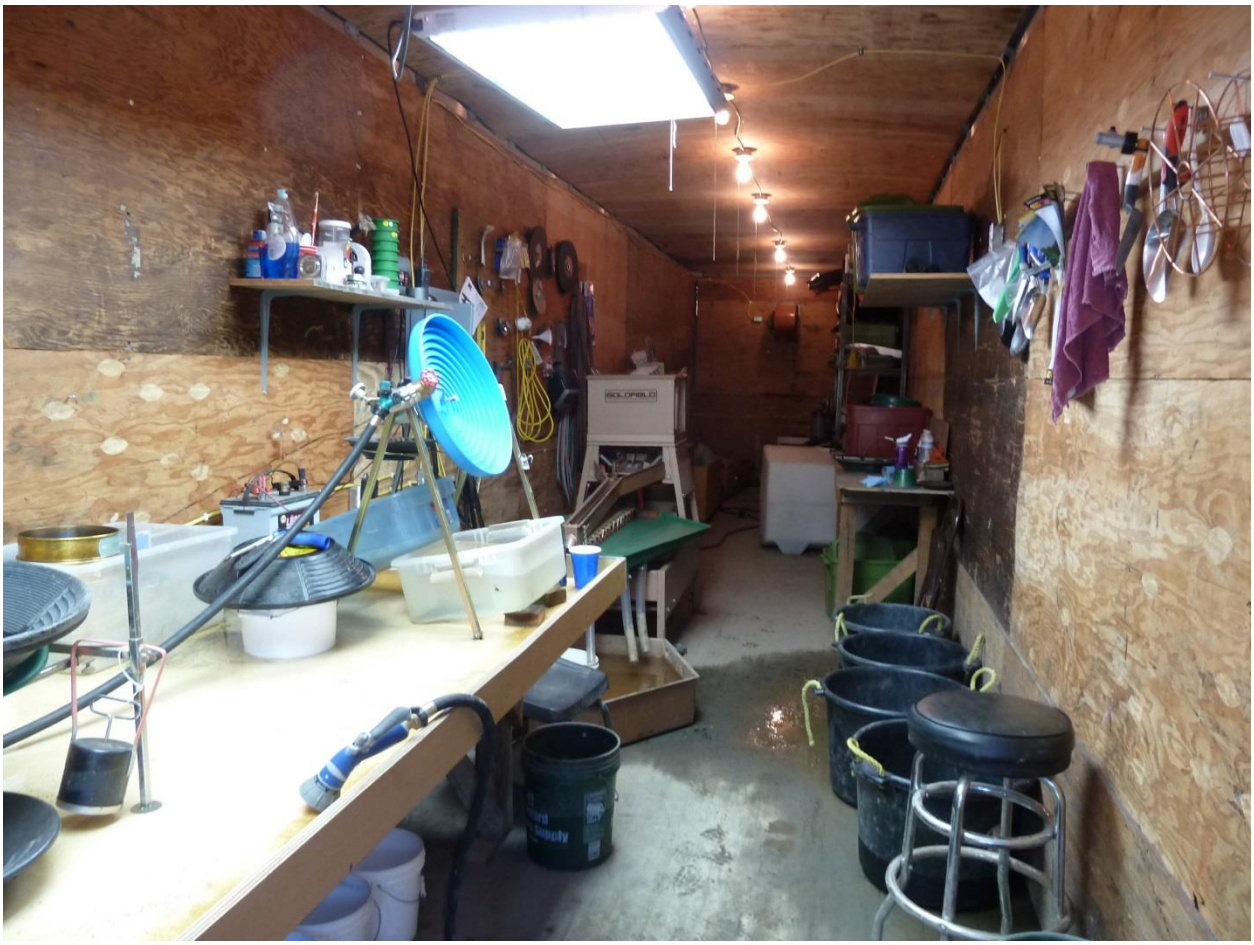


Figure 17. The clean-up trailer with Goldtron table, gold wheels, gold pans, etc. The trailer is well lite by the camp generator.


Figure 18. The camp generators in their trailer van.

Figure 19. Generator's fuel supply tank in the generator van.

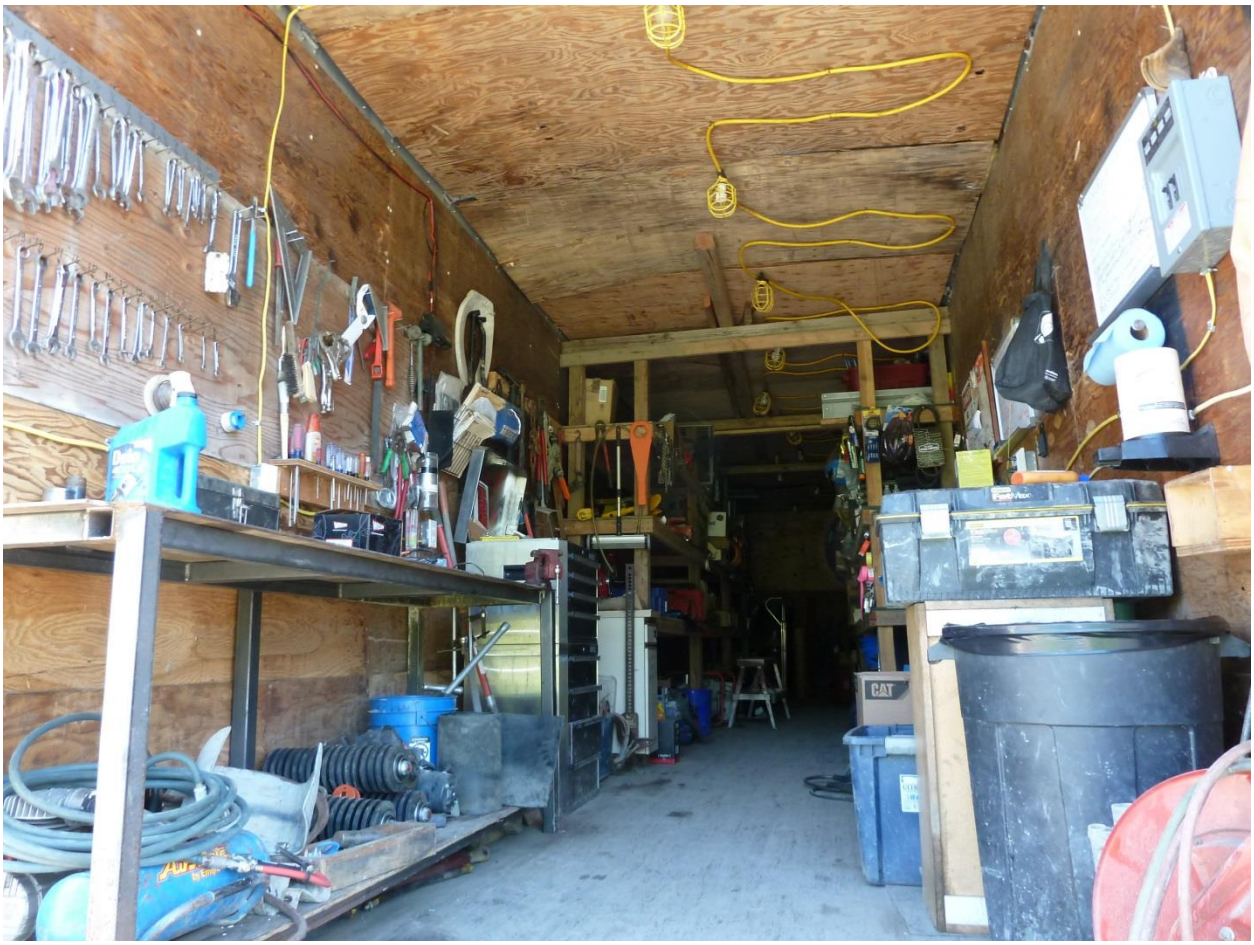


Figure 20. Tool shop trailer. All the heavy equipment shown in these pictures is for sale, except for the old bucketline dredge.


Figure 21. Service trucks with additional fuel storage.

Figure 22. The really big fuel storage trailer. All the heavy equipment shown in these pictures is for sale, except for the old bucketline dredge.

The Accommodations

The employee housing is eight retired school buses which make ideal and very comfortable accommodations. They are mobile and a cozy size for one or two people to live for the summer. These buses have been fitted with plumbed kitchens, bath rooms, and bedrooms as shown in the following pictures. Also shown are the appliances like refrigerator/freezers, microwave ovens, electric stove, and broiler/toasters. There are electric hot water heaters and electric space heaters as well as air conditioners. The waste water from the camp has plumbing that gravity feeds it to an Alaska Department of Environmental Conservation approved septic treatment system.

Figure 23. Six of the eight school buses motor homes. All the buses shown in these pictures are for sale.

Figure 24. The kitchen area with major appliances.

Figure 25. Another view of the kitchen looking to the front of the bus.

Figure 26. The bathroom with sink, toilet and shower.

Figure 27. The hot water heater and shower.

Figure 28. The bedroom with bed, shelves and even blackout curtains.

Figure 29. From left to right: a closet, electric heater (in white), hot water heater and shower stall with a black curtain.

INVENTORY OF EQUIPMENT

These are the main items. There are too many of the smaller items to list.

2006 Caterpillar D8T

2008 Caterpillar 330DL w/ thumb and 2 buckets

2008 Caterpillar D6KLGP

2007 Caterpillar 315CL w/thumb and 2 buckets

Gold Empress II mobile gold plant (processes 200 yards an hour)

Godwin pump

Deutz 12 inch Berkley w/ boom and tank on skids (self-contained)

2000 foot of aluminum 8 inch water pipe

1989 Autocar heavy spec off road fuel truck (4500 gallon)

1989 Autocar heavy spec off road tractor

1995 International yard truck w/ short wheel base

1985 Ford Vacuum truck

1980 Peterbuilt dump truck

1980 AWD FWD fuel truck w/ 1000 gallon tank w/ air greaser

1981 Ford F350 welding truck w/ crane

1980 airport fuel truck (5000 gallons)

1995 GMC Kodiak 4x4 Cat diesel service truck w/ welder, air compressor, power washer and bucket boom

1995 GMC Kodiak Cat diesel flatbed

2001 F450 4x4 diesel flatbed w/ lift gate

1995 GMC 1 ton 4x4 camp truck

2012 800 Ranger crew cab

2-2013 500 Rangers

2015 570 Ranger

2-2012 Honda Foreman 4-wheelers

2- 6500 gallon aluminum fuel storage pup tankers

10,000 gallon fuel storage tanker w/ dolly

500 gallon gas tank w/stand and hose

2- 1000 gallon tanks

500 gallon mobile fuel tank on skids w/ pump

Generator van containing 2 Deutz generators (30 KW and 18 KW), 2000 gallon tank and all switch gear

45 foot tool and parts inventory van

45 foot gold clean-up van w/ all equipment

30 foot job trailer

2- flatbed 40 foot trailers

60 ton step deck equipment trailer

8 converted school buses for housing (bathroom, kitchen, etc)

3- welders (2 gas, 1 electric w/ aluminum spool gun)

Summary

This Cache Creek property has plenty of virgin gold bearing placer gravels for many years of happy mining. Mining just the unmined resources at the lower end of this property could easily recoup the investment in the property. This gold mining operation has been fully permitted for four years. These permits can be transferred to the new owners with the State of Alaska's concurrence. Many of the eight employees have expressed interest in staying with the new owners.

The mining equipment offered is well suited to this property, but equipment and the property could be split up and sold separately. The owner is ridged about the prices he is asking because the prices are quite reasonable. The ad for this property is attached in the following Addendum.

The information in this report is based on the references above and a brief visit to the area. It is my interpretation of the data available to me. It is possible that new data could require a different interpretation at a later time.

Jim Halloran
Consulting Placer Geologist
Alaska Professional Geologist License #54
American Institute of Professional Geologists #3665

References

Capps, S.R., 1913, The Yentna District, Alaska: USGS B 534, 75 p.

Capps, S.R., 1925, An Early Tertiary Placer Deposit in the Yentna District: USGS B 773, p. 53-61

Robinson, G.D., Wedow, Helmuth, Jr., and Lyons, J.B., 1955, Radioactivity Investigations in the Cache Creek area, Yentna District, Alaska, 1945: USGS B 1024-A

Roehn, J.C, 1937 and 1938, Summary report of mining investigations in the Cache Creek, Innoko, Aniak-Tuluksak, and Goodnews Bay Districts: Alaska Territorial Department of Mines

Smith, P.S., 1933, Mineral Industry in Alaska: USGS B 836-A

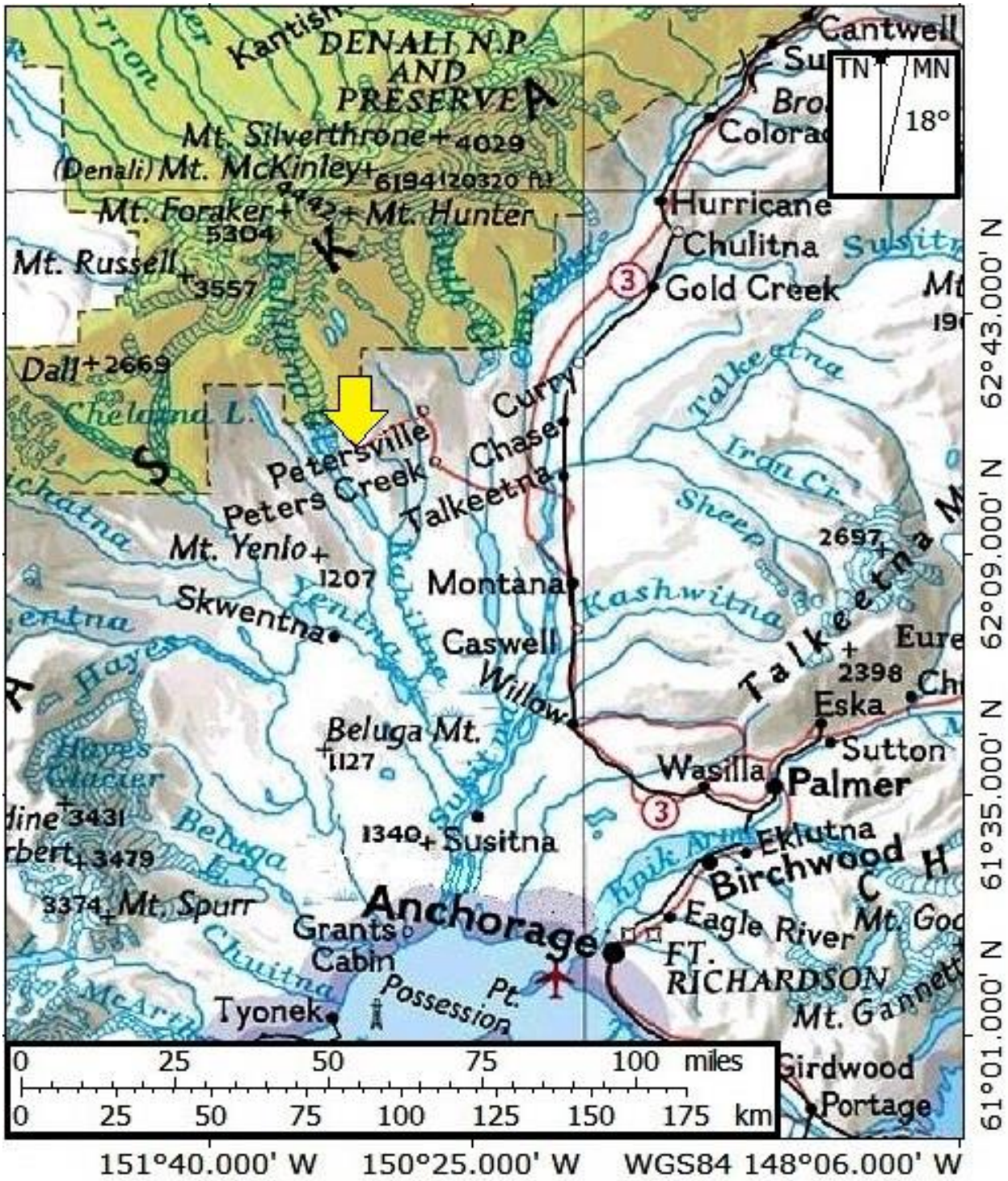
Smith, P.S., 1938, Mineral Industry in Alaska: USGS B 897-A

Wimmler, N.L., 1922, Placer mining in Alaska in 1922: Alaska Territorial Department of Mines Miscellaneous Report 195-6.

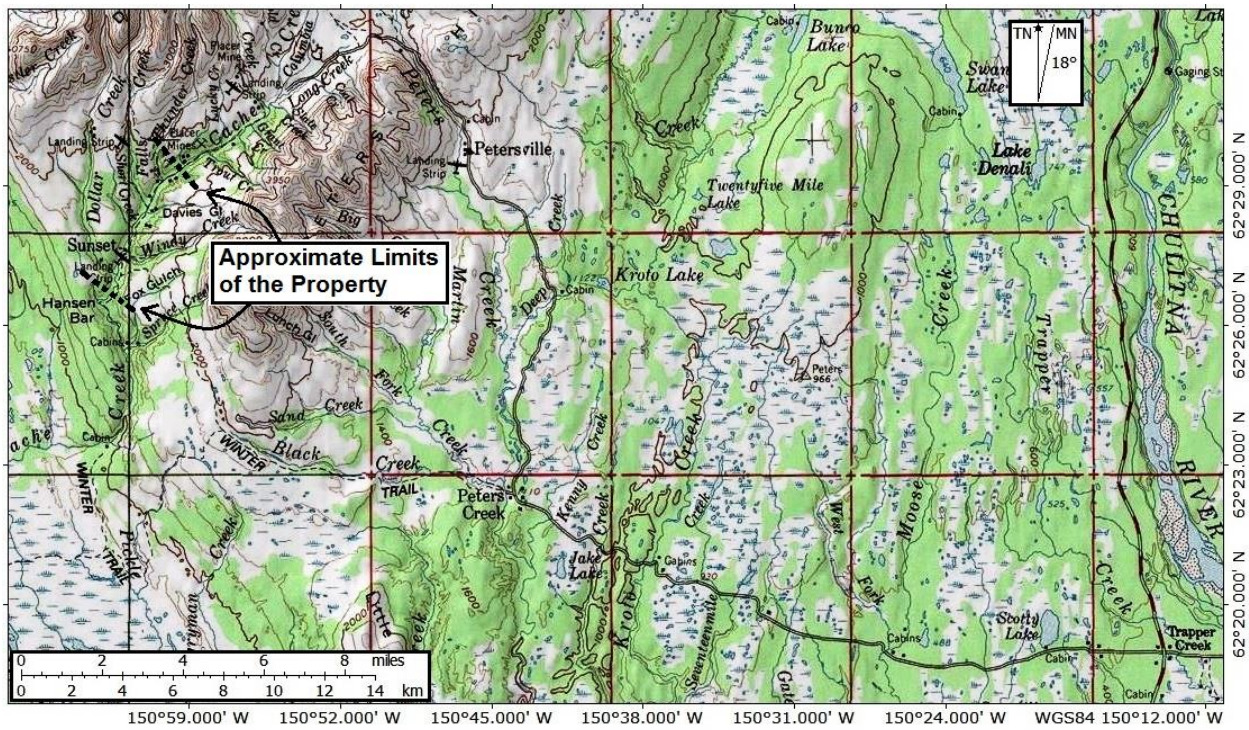
Wimmler, N.L., 1925, Placer mining in Alaska in 1924 and 1925: Alaska Territorial Department of Mines Miscellaneous Report 195-10.

Wimmler, N.L., 1926, Placer mining in Alaska in 1926: Alaska Territorial Department of Mines Miscellaneous Report 195-11.

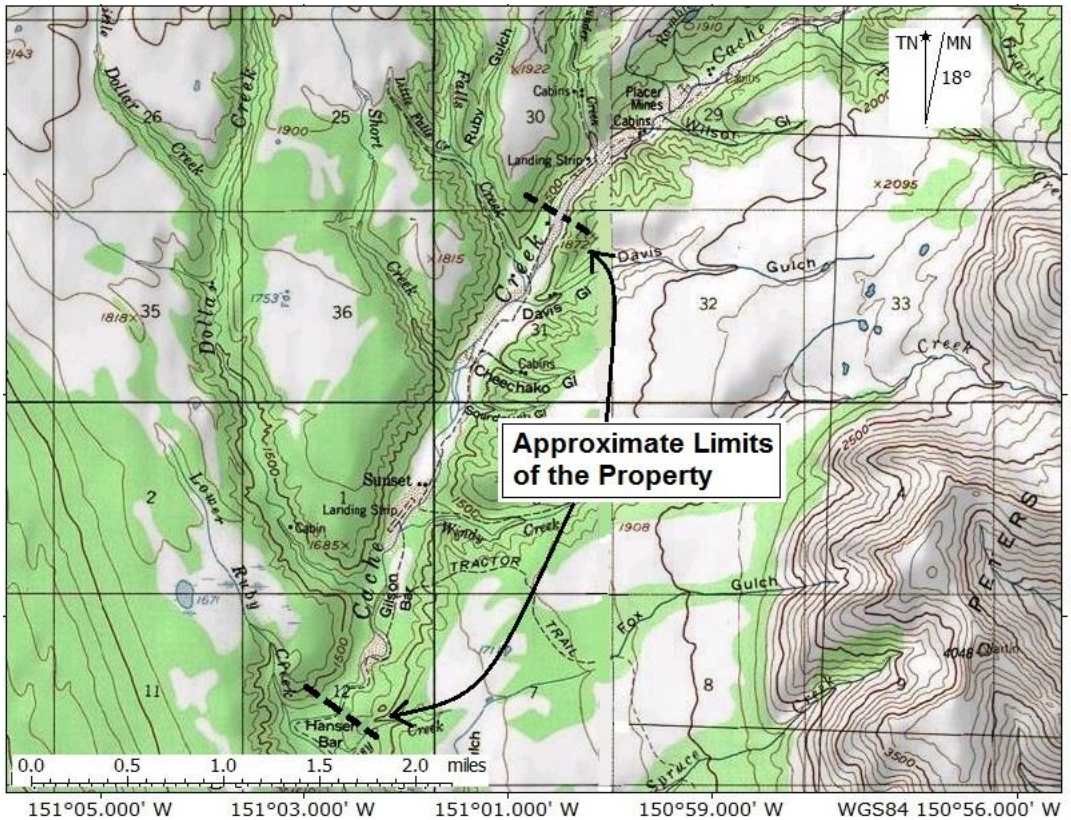
Addendum



Attachment 1. The Cache Creek property is below the yellow arrow in the upper center area.



Attachment 2 shows the state maintained Petersville Road into Cache Creek.



Attachment 3 presents the topographic map with section lines one mile apart.

Quote Line (907) 563-7768 Anchorage
Quote Line (907) 452-7858 Fairbanks

SOLD TO

Acct# 5412564
Ventures Inc.
PO BOX
TRAPPER CREEK, AK 99683
Phone (907) 841
Manufacturer Sell Next Day

SHIP TO

Rx: 9/26/2011 1100596
d 10/10/2011

Melt Batch No 47963
Balance to be Deposited ACCT#161008841 AK USA

Receiving Wt 66.07 troy ounces
Melt Weight 57.95 troy ounces

Assay Item	Type of Metal	Settlement Assay %	Returnable %	Weight Returned	Unsold Weight
#1	Gold	96.12	95.00	48.90	0.00
#2	Silver	12.10	90.00	6.31	0.00

METAL SALES

Sale Date	Type	Weight	Sale Rate	Sale Amount
9/27/2011	Gold	48.90	1659.00	$1,125.10
9/27/2011	Silver	6.31	29.00	182.99
			Total Metal Sales	$81,308.09

PAYMENTS (including advances)

Date	Check No	Comments	Amount
9/26/2011	Ck# 62419	ADVANCE	60,000.00
10/7/2011	Ck# 62578	FINAL	19,868.09
		Total Payments	79,868.09

Refining Charge	150.00 $
Assaying Charge	90.00 $
Advance Charge	1,200.00 $
AMOUNT DUE CUSTOMER	0.00

Printed
10/7/2011

Attachment 4a. A gold sale receipt from October 7, 2011.

NTR Metals®

REFINING STATEMENT

Wednesday, July 31, 2013

Lot No. **3316992**

VENTURES LLC
PO BOX
TRAPPER CREEK, AK 99683
Contact: STEFANIE
Phone: 907-841-2564

WEIGHT	DWT
BEFORE MELT:	377.6
AFTER MELT:	372.3
RECEIVED:	Walk In

Karat Lot

	ASSAY	CONTENT TROY oz.	RETURN RATE	PAYABLE TROY oz.	ADJUSTMENT TROY oz.	SPOT PRICE	AMOUNT
Gold	86.22%	16.0499	98.00%	15.7288	0.0000	$1,322.55	$20,802.12
Silver	13.77%	2.5633	90.00%	2.3069	0.0000	$19.74	$45.54
Platinum	0.00%	0.0000	0.00%	0.0000	0.0000	$0.00	$0.00
Palladium	0.00%	0.0000	0.00%	0.0000	0.0000	$0.00	$0.00

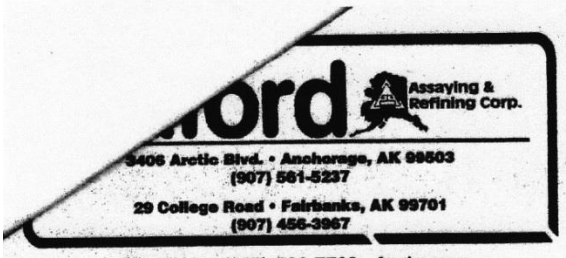
NOTES:

Placer with some quartz contained and some sands

	AMOUNT
Metals Amount Due	**$20,847.66**
Treatment Charges	$0.00
Melt Charges	$0.00
Refining Charges	$0.00
Transport Charges	$0.00
	$0.00
Batteries	$0.00
Total Amount Due	**$20,847.66**
Advance Amt	**$0.00**
Net Balance	**$20,847.66**

NTR Metals ® - Anchorage
5610 Silverado Way
Ste. A7
Anchorage, AK 99518
OFFICE: (907) 868-9017
FAX: (907) 868-9018
www.NTRmetals.com

Attachment 4b. A gold sale July 31, 2012.



Quote Line (907) 563-7768 Anchorage
Quote Line (907) 452-7858 Fairbanks

invoice

SOLD TO

SHIP TO

Acct# 8412564
Ventures Llc,
P.O. BOX
TRAPPER CREEK, AK 99683
Phone (907) 841-
Instructions Sell Next Day

Rx: 9/27/2012 1300264
d 9/10/2012

Melt Batch No 48814

Balance to be Deposited ACCT#1818844 AK USA

Receiving Wt 39.97 troy ounces
Melt Weight 38.84 troy ounces

Assay Item	Type of Metal	Settlement Assay %	Returnable %	Weight Returned	Unsold Weight
#1	Gold	86.21	98.00	32.81	0.00
#2	Silver	10.42	90.00	3.64	0.00

METAL SALES

Sale Date	Type	Weight	Sale Rate	Sale Amount
8/28/2012	Silver	3.64	27.75	101.01
8/28/2012	Gold	32.81	1668.00	54,727.08

Total Metal Sales **$54,828.09**

PAYMENTS (including advances)

Date	Check No	Comments	Amount
8/27/2012	Ck# 66122	ADVANCE	45,000.00
9/10/2012	Ck# 66275	FINAL	8,688.09

Total Payments **53,688.09**

Refining Charge	150.00 $
Assaying Charge	90.00 $
Advance Charge	900.00 $

Printed
9/10/2012

AMOUNT DUE CUSTOMER **0.00**

Attachment 4c. A gold sale August 27, 2012.

NTR Metals®

REFINING STATEMENT

Lot No. 3492667

Thursday, June 26, 2014

VENTURES LLC
PO BOX
TRAPPER CREEK, AK 99683
Contact:
Phone: 907-841-

WEIGHT:	DWT
BEFORE MELT:	165.6
AFTER MELT:	162.9
RECEIVED:	Walk In

Karat Lot

	ASSAY	CONTENT TROY oz.	RETURN RATE	PAYABLE TROY oz.	ADJUSTMENT TROY oz.	SPOT PRICE	AMOUNT
GOLD	85.50 %	6.9640	98.00 %	6.8246	0.0000	$1,315.97	$8,980.97
SILVER	14.50 %	1.1810	90.00 %	1.0629	0.0000	$21.08	$22.41
PLATINUM	0.00 %	0.0000	0.00 %	0.0000	0.0000	$0.00	$0.00
PALLADIUM	0.00 %	0.0000	0.00 %	0.0000	0.0000	$0.00	$0.00

NOTES:
Placer

Metals Amount Due	**$9,003.38**
Treatment Charges	$0.00
Melt Charges	$0.00
Refining Charges	$0.00
Transport Charges	$0.00
	$0.00
Batteries:	$0.00
Total Amount Due	**$9,003.38**
Advance Amt	**$0.00**
NET BALANCE	**$9,003.38**

NTR Metals ® - Anchorage
5610 Silverado Way
Ste. A7
Anchorage, AK 99518
Office: (907) 868-9017
Fax: (907) 868-9018
www.NTRmetals.com

Attachment 4d. A recent gold sale in June 2014.

MINING PROPERTY REPORT
PROFITABLE TURNKEY
ALASKA MINING OPERATION
ON PATENTED, PRIVATE GROUND

Complete, producing, well-maintained
mobile camp and equipment features:

- Road access AND 4,000 ft. airstrip 1/4 mile away
- 400 acres of subdivided 10-Ac parcels (i.e. mine and then sell!) in area with a LONG 5-6 month mining season
- Key mining equipment such as D8T, 330DL, D6K, 315CL, mobile goldplant, H20 pumps, service and welding trucks, generator, clean-up and tool vans, 4-wheelers, rangers, & many more items
- Comfortable, individual housing for 8 with full kitchens and bathrooms

$2.5 million for complete, mobile mining camp and ALL equipment, or
$2.5 million for property, or
$5 million for everything
Retiring owner will provide past 3 years' gold reports to qualified, serious buyers.
No owner finance.
Please email.

Attachment 5. The ad for the subject property at the www.icmj.com website.

Waiting for spring and a new gold mining season. Cache Creek has great snow machining too.